

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bill Galston and Gaynor McCown to Marcia Hale re: Education and the Reemployment Act (partial) (1 page)	01/19/1995	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Gaynor McCown (Subject Files)
OA/Box Number: 7329

FOLDER TITLE:

[Education and the Reemployment Act]

2011-0255-S

rc187

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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P6(b)(6)

[001]

THE WHITE HOUSE
WASHINGTON

JOANNO
RYAN
401-3082

January 19, 1995

A MEMORANDUM FOR MARCIA HALE

FROM: Bill Galston and Gaynor McCown
SUBJECT: Education and the Reemployment Act

Per your request, please find talking points regarding Education, Reemployment and the Middle Class Bill of Rights attached.

Miche

Michael McCown

401-3053

**PRESIDENT CLINTON'S LIFELONG LEARNING AGENDA:
A STATUS REPORT**

In today's rapidly changing economy, knowledge and opportunity are tightly linked: more and more, what you earn is dependent on what you can learn throughout your life.

On February 22, 1994 in an address to the American Council on Education, President Clinton presented his vision for lifelong learning and the legislative agenda needed to turn that vision into reality for all Americans. The following is a status report on the major building blocks of that agenda.

Head Start reform and expansion	Signed into law by the President on May 18, 1994
Goals 2000: Educate America Act	Signed into law by the President on March 31, 1994
Elementary and Secondary Education Act	Signed into law by the President on October 20, 1994
School-to-Work Opportunities Act	Signed into law by the President on May 4, 1994
Direct lending/income-contingent repayment	Signed into law by the President on August 10, 1993
National and Community Service Trust Act	Signed into law by the President on September 21, 1993
Reemployment Act of 1994	Transmitted to the Congress on March 15, 1994

THE MIDDLE CLASS BILL OF RIGHTS

"For too long, too many Americans have worked longer for stagnant wages and less security...[E]ven though the economic statistics are moving up, most of our living standards are not ... More jobs aren't enough. We have to raise incomes."

President Clinton, Address to the Nation, December 15, 1994

The Challenge. Working Americans are riding a roller-coaster of economic change. New technologies, global competition, and an increasingly integrated world economy have been reshaping the industrial landscape. While some workers are prospering in the new economy, the living standards of average American families have been stagnating for a generation. Compared to twenty years ago, many Americans are working longer hours for lower pay. For much of our middle class, the American Dream is under siege. Restoring that dream--the hope of a better future for our families and our children--is our most urgent challenge.

The Beginnings of Change. In 1993, President Clinton proposed a new economic direction for America. Two years later, the United States has created 5.6 million new jobs, 92% in the private sector, with more good jobs than in the previous five years combined, and with the first 12-month increase in manufacturing jobs since 1978. Our country has reduced the national unemployment rate from 7% to 5.4% with the lowest rate of inflation in twenty-five years, so that the "Misery Index"--the combined measure of unemployment and inflation--is at its lowest level since 1972. It has reversed the flow of federal red ink by reducing the annual budget deficit for three years in a row. It has signed new trade agreements to reduce the tariffs paid by American consumers at home and American producers abroad, and to tear down barriers to American-made goods and services all around the world. And it is leading the world in the productivity and competitiveness of its firms and workers.

The Opportunity. The strong evidence that links education and training with higher earnings and better jobs points the way to build a better future for all Americans. As the President noted in his Address, "Education...has a bigger impact on earnings and job security than ever before....Every American needs the skills necessary to prosper in the new economy." A strong bipartisan consensus in the last Congress has already spurred significant steps toward building the skills and future earning power of the children and students of working Americans, including major new investments in education. The next step is the Middle Class Bill of Rights, which will empower America's workers to acquire new skills, obtain better jobs, and to earn higher wages and living standards for themselves and their families.

As the President observed in his Address, "Fifty years ago, an American president proposed the G.I. Bill of Rights, to help returning veterans from World War II go to college, buy a home and raise their children. That built this country." The G.I. Bill led to a generation of prosperity by putting learning resources directly in the hands of ordinary Americans. The returning veterans turned their new skills into the higher productivity, rising wages, and soaring living standards that opened the door into the middle class for tens of millions of Americans.

The President's Middle Class Bill of Rights will provide today's aspiring workers and job seekers the same kind of opportunity. Like the G.I. Bill, it puts resources directly in the hands of our people so that each individual will have a fair chance to learn the skills needed to build a better future.

1. **Education and training tax deductions** will help working Americans pay for building new skills that lead most directly to better jobs and wages. Deductions of up to \$10,000 per year for families making up to \$120,000 per year will be phased in for tuition and costs for college, community college, graduate schools, technical schools, and worker retraining.
2. **Tax credits for families with children** of \$500 per child under 13 will be phased in. This will expand the budgets of middle class families to invest as they see fit.
3. **Expanded IRAs** will enable working families making up to \$100,000 per year to save \$2,000 per year from current earnings, tax-free, and to invest these funds--without penalty--when they want to build new skills or buy a first home, as well as providing for retirement or paying medical expenses.
4. **A comprehensive reform of the employment and training system** will help unemployed workers and low-income adults and youth --many of whom will not be able to benefit from the tax incentives--find new and better jobs, learn necessary skills, and obtain **Skill Grants** with which to make their own decisions about post-secondary training and education. Student loans through **Individual Education Accounts** will further ensure that all Americans have the opportunity to finance learning new skills where and when they choose and to repay these direct loans at the pace their future income allows.

THE MIDDLE CLASS BILL OF RIGHT: SKILL GRANTS

As a key component of the Middle Class Bill of Rights, the President proposes to totally restructure the existing system of employment and training. Seven key principles guide this change:

1. Individual Empowerment. Individuals should be empowered with resources so they can choose for themselves what skills they need to boost their earning power. The President's proposal puts buying power directly into individuals' hands, so they can get skills at the time, at the place, and in the way that makes sense for them:

- o Unemployed and low-income workers can get Skill Grants worth up to \$2,620 per year, for up to two years, that they can use as they choose for learning new skills.

- o Both tuition tax breaks and Skill Grants will be supplemented by Individual Education Accounts. These low-cost loans will be available to any person, with flexible repayment options including "pay as you can," to enable every American to invest in their skills and repay at the pace their future income allows.

2. Leaner Government. The President's proposal eliminates over 50 separate programs, replacing them with an integrated system that minimizes red tape and maximizes individual choice.

3. State Flexibility. Washington doesn't have all the answers. States should have the flexibility to reflect local conditions and respect local priorities. The President's proposal gives states the freedom to tailor training programs and delivery systems as they see fit, including expanding on-the-job training in cooperation with firms and workers. Most federal rules dictating administrative procedures will be wiped out. States will be able to apply for waivers from the few rules that remain, and to plow the savings back into additional training.

4. Good Information to Guide Choices. A skill-building system rooted in individual choice requires good data to inform decisions about what skills to get and where to learn them. Reforms woven throughout the initiative--and centered on the networks of One-Stop Career Centers already under construction by the States--will give workers and job seekers access to reliable information on jobs, careers, and the success records of training institutions, so that they can make good choices to improve their futures.

5. **Accountability.** Too often today, training providers aren't held accountable for results. The President's initiative will address this by emphasizing individual choice and competition so that individuals can pick providers who deliver; by providing good performance data so people know what training pays off; and by setting quality standards for training providers to cut off the frauds and the incompetents.

6. **Private-Sector Partnership.** At base, the President's proposal isn't about government. It's about jobs, and that means the private sector has a central role. Business and labor will be full partners in designing and running training, job-search, and information services. The most competitive and productive firms are also leaders in upgrading the skills of their workforce; new awards will recognize excellence in creating workplaces that expand opportunity by capitalizing on and rewarding worker skills.

7. **Paths from School to Work.** Preparing America's youth for the world of work and a career of learning and applying new skills to more rewarding jobs is a vital task. This initiative will fold federal employment and training programs, including vocational education, for young people into the school-to-work movement already underway in every state as designed and developed by the states, local communities and the private sector. As with the new private sector partnership, good information, accountability and state flexibility for adults, this new approach will provide clearer paths to new skills and better jobs for youth.

The President's Middle Class Bill of Rights can arm every American worker with the tools to learn new skills, find good jobs and earn higher wages at more rewarding work. Like the G.I. Bill, the President's proposal will put the opportunity to learn and apply new skills directly in the hands of the people. Now, as then, it will be up to individual Americans to accept personal responsibility, to make the most of this opportunity to build a better life for themselves and their families.

"The Middle Class Bill of Rights will further our common mission as Americans -- to expand middle class incomes and opportunities, to promote the values of work and family, responsibility and community. And to help Americans compete and win in the new American economy."

President Clinton, Radio Address, December 18, 1994